

REPORT OF  
THE NATIONAL PETROLEUM COUNCIL'S  
COMMITTEE ON MILITARY AND GOVERNMENT  
PETROLEUM REQUIREMENTS

AUGUST 20, 1948

To the Members of the Military  
and Government Petroleum Requirements Committee:

Gentlemen:

The Armed Services have recently completed a re-estimation of their requirements during the period July 1, 1948 - December 31, 1948. As a result of these revisions and of offers which have been coming in from the industry, it now appears that all of the requirements for bulk cargoes for this period are covered, with the possible exception of 345,000 barrels of diesel oil on the West Coast later in the year. When and if this estimated requirement becomes firm, specific requests for offers will be made of West Coast refiners.

Coverage of the requirements is based on the assumption that all offers under negotiation as of August 19th will materialize.

Attached is a revised statement of requirements, based on the latest estimates and broken down into bulk cargo and regional requirements. These requirement figures represent the net required from U. S. sources after taking into account all firm offers and contracts from foreign suppliers, both Caribbean and Persian Gulf. Several members of the industry have requested presentation on this basis in order to simplify analysis of domestic area requirements.

As a matter of interest to the Committee members and the industry, a calculation was made of military requirements in relation to refining operations in the areas concerned. Gulf/East Coast requirements were compared with refining runs in Districts I and III, inland requirements with Districts II and IV, and West Coast requirements with District V refining operations.

The total military requirements, including regional, represent the following percentages of refinery runs in these areas:

AREA	Refinery Runs* 1,000 B/D	% Military Requirements of Crude Runs		Total
		Bulk Cargo	Regional	
West Coast	881	7.75	2.43	10.18
Inland	1,595	0.63	.18	0.81
Gulf/East Coast	3,207	2.63	1.47	4.10
Total U.S.A.	5,683	2.86	1.26	4.12

\* Actual 4 weeks ending July 31 from API reports

It should be noted that the attached statement does not include government petroleum requirements for civilian use, which are procured by the Bureau of Federal Supply. Such requirements, now relatively small, will be in addition to military requirements.

We are advised that while bulk cargo requirements for the full period have now been covered by offers, with the exception noted above, this is not necessarily true of all regional requirements. Data on lack of coverage against regional contracts are not yet available. However, there are indications that motor gasoline and heating oil offers in some areas may be inadequate.

It is suggested, therefore, that suppliers re-examine their offers against regional contracts in order that full coverage of regional, as well as bulk cargo requirements, will be obtained promptly.

Very truly yours,

H. W. PAGE

ACTING CHAIRMAN  
Military and Government Requirements  
Committee

Attachment

August 20, 1948

U. S. MILITARY PETROLEUM REQUIREMENTS  
(As of Aug. 19)

JULY - DECEMBER 1948

	Thousands of Barrels						
	<u>Aviation*</u>	<u>Motor Gasoline</u>	<u>Kerosene</u>	<u>Distillates</u>	<u>Navy Special Fuel Oil</u>	<u>Other Residual</u>	<u>Total Products</u>
<u>West Coast</u>							
Bulk	4,635	2,000	240	2,049	3,648	-	12,572
Other	24(a)	357	68	1,775	48	1,677	3,949
<u>Total</u>	<u>4,659</u>	<u>2,357</u>	<u>308</u>	<u>3,824</u>	<u>3,696</u>	<u>1,677</u>	<u>16,521</u>
<u>Inland</u>							
Bulk	1,849	-	-	-	-	-	1,849
Other	45(a)	142	15	172	-	140	514
<u>Total</u>	<u>1,894</u>	<u>142</u>	<u>15</u>	<u>172</u>	<u>-</u>	<u>140</u>	<u>2,363</u>
<u>East Coast/Gulf Coast</u>							
Bulk	8,000	3,307	310	1,685	2,200	-	15,502
Other	127(a)	732	109	1,743	1,913	4,046	8,670
<u>Total</u>	<u>8,127</u>	<u>4,039</u>	<u>419</u>	<u>3,428</u>	<u>4,113</u>	<u>4,046</u>	<u>24,172</u>
<u>Total All Areas</u>							
Bulk	14,484	5,307	550	3,734	5,848	-	29,923
Other	196(a)	1,231	192	3,690	1,961	5,863	13,133
<u>Total</u>	<u>14,680</u>	<u>6,538</u>	<u>742</u>	<u>7,424</u>	<u>7,809</u>	<u>5,863</u>	<u>43,056</u>

\*Includes Jet Fuel as Follows:

West Coast	454
E. Coast/Gulf Coast	680
Inland	243
	<u>1,377</u>

(a) Represents into plane service contract requirements.

The above figures assume the following supplies from foreign supply points:

Motor Gasoline	1,535
Navy Diesel	4,262
Navy Special F.O.	11,152
	<u>16,949</u>